



## DEPARTMENT OF THE TREASURY

### Office of the Comptroller of the Currency

#### Agency Information Collection Activities: Information Collection Renewal; Comment Request; Recordkeeping Requirements for Securities Transactions

**AGENCY:** Office of the Comptroller of the Currency (OCC), Treasury.

**ACTION:** Notice and request for comment.

**SUMMARY:** The OCC, as part of its continuing effort to reduce paperwork and respondent burden, invites comment on a continuing information collection, as required by the Paperwork Reduction Act of 1995 (PRA). In accordance with the requirements of the PRA, the OCC may not conduct or sponsor, and the respondent is not required to respond to, an information collection unless it displays a currently valid Office of Management and Budget (OMB) control number. The OCC is soliciting comment concerning its information collection titled, “Recordkeeping Requirements for Securities Transactions.”

**DATES:** You should submit comments by [INSERT 60 DAYS FROM DATE OF PUBLICATION IN THE **FEDERAL REGISTER**].

**ADDRESSES:** Commenters are encouraged to submit comments by e-mail, if possible. You may submit comments by any of the following methods:

- *E-mail:* [prainfo@occ.treas.gov](mailto:prainfo@occ.treas.gov).
- *Mail:* Chief Counsel’s Office, Attention: Comment Processing, Office of the Comptroller of the Currency, Attention: 1557-0142, 400 7<sup>th</sup> Street, SW., suite 3E-218, Washington, DC 20219.
- *Hand Delivery/Courier:* 400 7<sup>th</sup> Street, SW., suite 3E-218, Washington, DC 20219.
- *Fax:* (571) 465-4326.

Instructions: You must include “OCC” as the agency name and “1557-0142” in your comment. In general, the OCC will publish comments on [www.reginfo.gov](https://www.reginfo.gov) without change,

including any business or personal information provided, such as name and address information, e-mail addresses, or phone numbers. Comments received, including attachments and other supporting materials, are part of the public record and subject to public disclosure. Do not include any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

Following the close of this notice's 60-day comment period, the OCC will publish a second notice with a 30-day comment period. You may review comments and other related materials that pertain to this information collection beginning on the date of publication of the second notice for this collection by the method set forth in the next bullet.

- **Viewing Comments Electronically:** Go to [www.reginfo.gov](http://www.reginfo.gov). Hover over the "Information Collection Review" drop down menu, and click on "Information Collection Review." From the "Currently under Review" drop-down menu, select "Department of Treasury" and then click "submit." This information collection can be located by searching by OMB control number "1557-0142" or "Recordkeeping Requirements for Securities Transactions." Upon finding the appropriate information collection, click on the related "ICR Reference Number." On the next screen, select "View Supporting Statement and Other Documents" and then click on the link to any comment listed at the bottom of the screen.
- For assistance in navigating [www.reginfo.gov](http://www.reginfo.gov), please contact the Regulatory Information Service Center at (202) 482-7340.

**FOR FURTHER INFORMATION CONTACT:** Mary H. Gottlieb, OCC Clearance Officer, (202) 649-5490, Chief Counsel's Office, Office of the Comptroller of the Currency, 400 7<sup>th</sup> Street, SW., Suite 3E-218, Washington, DC 20219. If you are deaf, hard of hearing, or have a speech disability, please dial 7-1-1 to access telecommunications relay services.

**SUPPLEMENTARY INFORMATION:** Under the PRA (44 U.S.C. 3501 *et seq.*), Federal agencies must obtain approval from the OMB for each collection of information that they conduct or sponsor. "Collection of information" is defined in 44 U.S.C. 3502(3) and 5 CFR

1320.3(c) to include agency requests and/or requirements that members of the public submit reports, keep records, or provide information to a third party. Section 3506(c)(2)(A) of title 44 requires federal agencies to provide a 60-day notice in the **Federal Register** concerning each proposed collection of information, including each proposed extension of an existing collection of information, before submitting the collection to OMB for approval. To comply with this requirement, the OCC is publishing notice of the renewal of this collection of information.

*Title:* Recordkeeping Requirements for Securities Transactions.

*OMB Number:* 1557-0142.

*Abstract:* The information collection requirements in 12 CFR parts 12 and 151 are designed to ensure that national banks and Federal savings associations comply with securities laws and to improve the protections afforded to persons who purchase and sell securities through these financial institutions. Parts 12 and 151 establish recordkeeping and confirmation requirements applicable to certain securities transactions effected by national banks or Federal savings associations for customers. The transaction confirmation information required by these regulations ensures that customers receive a record of each securities transaction and that financial institutions and the OCC have the records necessary to monitor compliance with securities laws and regulations. The OCC uses the required information in the course of its examinations to evaluate, among other things, an institution's compliance with the antifraud provisions of the Federal securities laws.

The information collection requirements contained in 12 CFR parts 12 and 151 are as follows:

- Twelve CFR 12.3 requires a national bank effecting securities transactions for customers to maintain certain records for at least three years. The records required by this section must clearly and accurately reflect the information required and provide an adequate basis for the audit of the information.

- Twelve CFR 151.50 requires a Federal savings association effecting securities transactions for customers to maintain certain records for at least three years. Twelve CFR 151.60 provides that the records required by 12 CFR 151.50 must clearly and accurately reflect the information required and provide an adequate basis for audit of the information.
- Twelve CFR 12.4 requires a national bank to give or send to the customer a written notification of the transaction at or before completion of the securities transaction or, if using a confirmation from a registered broker/dealer, to send a copy of that confirmation within one business day from the bank's receipt of the confirmation from the broker dealer. Section 12.4 also establishes minimum disclosures needed for a customer's securities transactions.
- Twelve CFR 151.70 establishes the types of notice a Federal savings association must provide when effecting a securities transaction for a customer. Twelve CFR 151.80 establishes when a Federal savings association must provide notice if the Federal savings association is complying with section 151.70 by using a broker-dealer confirmation, and also requires the Federal savings association to provide a statement of the source and amount of any remuneration it will receive in connection with the transaction, unless it has determined remuneration in a written agreement with the customer. Twelve CFR 151.90 establishes when a Federal savings association must provide notice if complying with section 151.70 by providing written notice and establishes the minimum disclosures that must be included in that notice. Twelve CFR 151.90 requires a Federal savings association to provide its customers with a written notice of each securities transaction if it is not following the procedures in 12 CFR 151.80. The Federal savings association must give or send the notice to the customer at or before the completion of the securities transaction.

- Twelve CFR 12.5(a), (b), (c), and (e) describe notification procedures that a national bank may elect to use, as an alternative to complying with section 12.4, to notify customers of transactions in which the bank does not exercise investment discretion, trust transactions, agency transactions, and certain periodic plan transactions.
- Twelve CFR 151.100 describes notification procedures that a Federal savings association may use, as an alternative to complying with 12 CFR 151.70, for an account in which the savings association does not exercise investment discretion, certain accounts for which it exercises investment discretion in other than an agency capacity, trust transactions, agency transactions, certain periodic plan transactions, collective investment fund transactions, and money market funds.
- Twelve CFR 12.7(a)(1) through (a)(3) require national banks to maintain and adhere to policies and procedures that assign responsibility for supervision of employees who perform securities trading functions, provide for the fair and equitable allocation of securities and prices to accounts for certain types of orders, and provide for crossing of buy and sell orders on a fair and equitable basis.
- Twelve CFR 151.140 requires Federal savings associations to adopt written policies and procedures dealing with the functions involved in effecting securities transactions on behalf of customers. These policies and procedures must assign responsibility for the supervision of employees who perform securities trading functions, provide for the fair and equitable allocation of securities prices to accounts for certain types of orders, and provide for crossing of buy and sell orders on a fair and equitable basis.
- Twelve CFR 12.7(a)(4) requires certain national bank officers and employees involved in the securities trading process to report to the bank all personal transactions in securities made by them or on their behalf in which they have a beneficial interest.

- Twelve CFR 151.150 requires certain Federal savings association officers and employees to report personal transactions they make or that are made on their behalf in which they have a beneficial interest.
- Twelve CFR 12.8 requires a national bank seeking a waiver of one or more of the requirements of sections 12.2 through 12.7 to file a written request for waiver with the OCC.

*Type of Review:* Regular.

*Affected Public:* Businesses or other for-profit.

*Estimated Number of Respondents:* 307.

*Estimated Frequency of Response:* On occasion.

*Estimated Total Annual Burden:* 1501.5 Hours.

Comments submitted in response to this notice will be summarized and included in the request for OMB approval. All comments will become a matter of public record.

Comments are invited on:

(a) Whether the collection of information is necessary for the proper performance of the functions of the OCC, including whether the information has practical utility;

(b) The accuracy of the OCC's estimate of the burden of the collection of information;

(c) Ways to enhance the quality, utility, and clarity of the information to be collected;

(d) Ways to minimize the burden of the collection on respondents, including through the use of automated collection techniques or other forms of information technology; and

(e) Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

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